MULTIMEDIA UNIVERSITY STUDENT IDENTIFICATION NO

MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 2, 2017/2018

BEB3014 – ELECTRONIC BUSINESS

(All sections / Groups)

16 MARCH 2018
9.00 a.m – 11.00 a.m
(2 Hours)

INSTRUCTIONS TO STUDENT

1. This Question paper consists of 6 pages with 2 Sections only.
   Section A : 1 Case Study
   Section B : 4 Structured Questions

2. Attempt **ALL** questions in Section A. Attempt **THREE** out of **FOUR** questions in Section B. The distribution of the marks for each question is given.

3. Please write all your answers in the Answer Booklet provided.

SECTION A: CASE (40 MARKS)

LONELY PLANET

In 1972, Tony and Maureen Wheeler were newlyweds who decided to have one last adventurous travel experience before settling down. Their trip was an overland trek from London to Australia through Asia. So many other travellers asked them about their experiences that they sat down at their kitchen table and wrote a book titled *Across Asia on the Cheap.* They published the book themselves and were surprised by how many copies they sold. More than three decades and 60 million books later, their publishing enterprise has turned out to be one of the most successful in history.

The Wheelers' publishing company, Lonely Planet, has grown rapidly, with typical annual sales increases of 20 percent or more. In 2007, BBC Worldwide purchased a 75 percent ownership interest in the company. Lonely Planet TV now produces a variety of travel and documentary programs that appear on cable networks throughout the world. The company is privately held and does not release sales figures, but industry analysts estimate current annual revenues to be about $85 million. Lonely Planet publishes more than 600 titles and holds a 16 percent share of the travel guide market. The company has more than 400 employees in its UK, U.S., French, and Australian offices performing editorial, production, graphic design, and marketing tasks. Travel guide content is written by a network of more than 300 contract authors in 22 countries. These authors are knowledgeable about everything from visa regulations to hotel prices to the names of the hottest new entertainment spots. The combined expertise of the in-house staff and the in-country authors has kept Lonely Planet ahead of its competitors for many years.

Lonely Planet also offers travel services that include a phone card, hotel and hostel room-booking, airplane tickets, European rail travel reservations and tickets, package tours, and travel insurance. These services are sold by telephone and on the Lonely Planet Web site.

The Web site has won numerous awards, including the Society of American Travel Writers Silver Award and a spot on *Time* magazine's "Fifty Best Web Sites" list. It has also won the best travel site Webby multiple items. The site was launched in 1994 and includes an online store in which Lonely Planet publications are sold. However, the site's main draws are its comprehensive collection of information about travel destinations and its online discussion area, the Thorn Tree, which has nearly a half million registered users.

Lonely Planet is always looking for ways to expand its market and brand image through new technologies. For example, it offers audio phrasebooks and city guides that can be downloaded to several brands of smart phones.

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Despite its excellent Web site and its use of new technologies, most of Lonely Planet's revenues are still generated by book sales. The typical production cycle of a travel guide is about eight months long. This is the time it takes to commission authors, conduct research, work through several drafts of writing and editing, select photos, create the physical book, and print it. This production cycle causes new books to be almost a year out of date by the time they are published. Only the most popular titles are revised annually. Other titles are on two-, three-, or four-year revision cycles. The time delay in publication means that many details in the guides are outdated or wrong; restaurants and hotels close (or move), exchange rates and visa regulations change, and once-hot night spots are abandoned by fickle clientele.

Lonely Planet publications are well researched and of high quality, but the writers do not work continually because the books are not published continually. The Web site often has information that is more current than the published travel guides. The site's online shop does offer some custom guides, which are parts of its existing travel guides packaged in different ways, and it does let customers buy specific chapters from its books, but it still is largely focused on selling books. Lonely Planet has adopted new technologies, but has not used them to change its revenue model in any major way or to make basic changes in the production of its main product, the travel guides.

Source: *Schneider, Gary P. 2011, E-Business, 9th ed., Cengage Learning, Australia.*

QUESTION 1

a) Based on the case study:

(i) What are the **TWO (2)** types of e-commerce categories used by the company?

(4 marks)

(ii) What are the **THREE (3)** types of revenue models used by the company?

(9 marks)

b) Lonely Planet had facing cannibalization issues on its current business operation.

(i) Describe about cannibalization issues.

(3 marks)

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(ii) Analyse the cannibalization issues that the company faced and suggest **TWO (2)** solutions that might reduce the revenue losses or operation frictions that result from these issues.

(8 marks)

c) Propose any **THREE (3)** new products or services that Lonely Planet might introduce to take advantage of Internet technologies (including wireless technologies for mobile devise).

(6 marks)

d) According to the case study, ***"Lonely Planet has adopted new technologies, but has not used them to change its revenue model in any major way or to make basic changes in the production of its main product, the travel guides."*** Discuss why?

(10 marks)

(Total: 40 marks)

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SECTION B: STRUCTURED QUESTIONS (60 MARKS)

QUESTION 2

a) You are the new marketing manager for the Midland Daily Courier, a weekly newspaper that publishes local news, high school sports results, and feature stories about local businesses and political issues. The paper also publishes several regular columns written by local experts on gardening, home repair, and crafts. Like many small weeklies, the Courier has seen its subscriber base shrink gradually over the past 10 years. The newspaper has a Web site on which it posts all of the display ads that run in the print edition, its free classified ads, and all of the news content from the print edition. Your job is to work with the publisher and the editorial staff to revive interest in the paper and devise marketing plans that will either increase subscriptions directly or generate increased interest and awareness of the newspaper's value to potential subscribers.

(i) Provide any **FOUR (4)** of viral marketing plan that uses blogs and social media tools to generate interest in the Courier. Be specific about how you would promote each element of the newspaper's offerings, including which tool you would use for which element.

(8 marks)

(ii) List and explain **SIX (6)** categories of online behavior based on McKinsey & Company theory.

(12 marks)

(Total: 20 marks)

QUESTION 3

a) Google purchased YouTube in 2006 for $1.65 billion. Discuss **THREE (3)** reasons that Google would have wanted to acquire a site such as YouTube and describe the benefits that the company obtained from its purchase.

(9 marks)

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b) Define the term 'Yankee auction' and explain how the use of a Yankee auction can affect the progress and outcome of an auction.

(5 marks)

c) Describe **THREE (3)** types of independent industry marketplaces.

(6 marks)

(Total: 20 marks)

QUESTION 4

a) What are the different wireless network types that are currently available and discuss how it is relevant to the current business?

(6 marks)

b) Your friend Gail is an electrician who does repair and installation work for small businesses and homeowners. She often has customers ask her if she will accept a credit card in payment for her services, but she has been reluctant to set up a credit card payment processing system in her truck. Besides, she has been advised to have a Web site in order to help her manage business well including payment system.

(i) Explain the differences in payment processing between a credit card and a debit card that would help Gail understand more about payment using cards.

(8 marks)

(ii) Describe any **THREE (3)** requirements for secure Gail's Web site if she planned to create a Web site for her business.

(6 marks)

(Total: 20 marks)

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QUESTION 5

a) Mobile commerce, also referred as m-commerce, is the use of wireless handheld devices such as cellular phones and laptops to conduct commercial transactions online. Mobile commerce transactions continue to grow, and the term includes the purchase and sale of a wide range of products and services, such as online banking, bill payment and information delivery. Thus, differentiate between m-commerce and e-commerce in **FIVE (5)** points.

(10 marks)

b) Define the term 'Business Process Reengineering (BPR)'. Discuss any **FOUR (4)** decisions make in implementing BPR?

(10 marks)

(Total: 20 marks)

End of Paper